

**COMMENTS BY MARSHALL COUNTY REMC CONCERNING CUSTOMER
SERVICE RIGHTS AND RESPONSIBILITIES RULEMAKING**

IURC Cause No. RM 04-02

These comments are submitted on behalf of Marshall County concerning only the new Sec. 1 of the proposed rule adding a new Article (170 I.A.C. 4-1.2) concerning electric customer service rights and responsibilities.

By way of general introduction, Marshall County REMC ("Marshall County") submits that while it appreciates the Commission's apparent attempt to make its rules concerning customer service rights and responsibilities uniform among different types of utility services, different utility services do, in fact, have different characteristics that appropriately require rules tailored to that type of utility service's specific characteristics.

In this regard, Marshall County has observed, from the initial public hearing on the proposed rule, that virtually all of the public comments addressed the need for revisions in the Commission's rules applicable to gas utilities. One commenter suggested, and Marshall County concurs, that the Commission might appropriately first focus on deposit and disconnect rules applicable to gas utilities – the focus of most apparent consumer concern– and then direct its attention to deposit and disconnect rules applicable to electric and other forms of utilities at a later date.

Additionally, Marshall County concurs in the oral comment made on the remarks made by one commenter at the initial public hearing to the effect that the Commission's new deposit and disconnect rules should be made applicable only to large utilities, e.g., utilities with more than 50,000 subscribers. As customer owned cooperatives, REMCs' rates, charges and service standards are determined by their members, regardless of whether they have withdrawn from the Commission's jurisdiction, and it is more appropriate for rules relative to deposits and disconnects by REMCs to be established and implemented as desired by their members.

Marshall County’s more specific comments and recommendations for changes, in the event new rules are nevertheless adopted that apply to it, are as follows:

Proposed 170 I.A.C. 4-1.2-1 concerning applicability and scope. Marshall County recognizes that the Commission’s intent appears to be that the rules will be applicable only to rural electric membership corporations (“REMCs”) that have not withdrawn from Commission jurisdiction. However, because even REMCs that have withdrawn from Commission jurisdiction remain under the Commission’s jurisdiction for limited purposes, for example, territory matters, the wording of this section should be clarified. We suggest that the wording be changed to read as follows:

Sec. 1. (a) This rule applies to any:
(1) electric public utility; and
(2) rural electric membership corporation;

whose rates and regulations for providing electric service to the public are regulated by the Commission

Deleted: that is now, or may hereafter be, engaged in the business of rendering service to the public under the jurisdiction of the commission.

170 I.A.C. 4-1.2-3 concerning creditworthiness guidelines. Sec. 3(a)(2)(B) should be modified as follows:

(B) credit history of any other individual residing in the household or the applicant or customer’s spouse **that is not indebted to the utility for a past due bill for electric service provided by the utility within the previous twelve (12) months.**

If the provisions of the new rule related to use of a “credit scoring system” remain in a new rule, Marshall County understands that such a system may be structured by a utility to provide it and its customers some measure of protection from unreasonable costs from unpaid bills. However, if the credit scoring provision is not included, then Marshall County presumes and recommends that the rule be republished so that Marshall County may know whether additional comments are necessary to ensure that appropriate creditworthiness requirements are provided for.

170 I.A.C. 4-1.2-4 concerning deposits. It does not appear reasonable to Marshall

County that a deposit greater than \$150 (e.g., \$150.01) may be paid over three (3) months, but a deposit of \$150.00 must be paid immediately. Presumably, the Commission's objective is to make it easier for consumers to pay deposits when the amount of the deposit exceeds \$150. We submit that an appropriate modification of the proposed rule to accomplish that would be as follows:

If a deposit is greater than one hundred fifty dollars (\$150), the utility shall advise the applicant or customer simultaneously with making a demand for a deposit that the applicant or customer may pay that portion of the deposit exceeding \$150 in equal installment payments over a period of no fewer than three (3) months, and service shall be connected upon receipt by the utility of the first payment. For example, if the total deposit required by a utility under this section is one hundred eighty dollars (\$180), the applicant or customer could make an initial deposit payment of \$150 and three (3) additional payments of ten dollars (\$10) over a three (3) month period on or before the date bills for electric service become due during those months, and service would be connected after the first one hundred fifty dollar (\$150) payment.

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In Sec. 4(f)(1), Marshall County recommends that the following sentence be added:

The refund of a deposit with accrued interest may be made as a credit on the customer's bill if the amount of the deposit and refund is less than the amount of the bill due in the month in which the deposit and accrued interest is refundable.

170 I.A.C. 4-1.2-5 concerning disconnection and prohibited disconnections. Marshall

County and many other electric utilities typically send notices by mail permitting arrangements with the postal service that do not result in a "postmarked date". Therefore, in Sec. 5(e)(1), the following modification should be made:

(1) Except as otherwise provided in this section, service to any customer shall not be disconnected for a violation of any rule of the utility or for nonpayment of a bill, except after fourteen (14) days from the date a written notice was mailed to the customer by mail permit at the address shown on the records of the utility or the notice is personally served upon the customer or a responsible member of the customer's household, or the postmarked date of the written notice if sent other than by mail permit that does not show a postmarked date. No disconnect notice for nonpayment may be rendered before the date on which the account becomes delinquent.

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Marshall County has committed to using automatic meter reading with two-way communication that allows for services to be disconnected or reconnected remotely. Therefore, subsection (f) of this Sec. 5 should be modified by inserting “at the customer’s premises” in the introductory sentence of subsection (f), and a new subsection (g) should be added (and existing subsection (g) changed to subsection (h)) providing:

(g) The utility shall not disconnect service remotely without making a reasonable effort to notify the customer of the disconnection, and the address and telephone number of the utility the customer may use to arrange to have service reconnected. Additionally, the utility shall notify the customer in its disconnect notices if the disconnection may be made remotely, and include the address and telephone number of the utility the customer may use to arrange to have service reconnected in the event of a remote disconnection.

This modification is especially critical to Marshall County, which has committed to investment in automatic meter reading equipment to more efficiently serve its members. A primary purpose of this investment is to reduce costs associated with premise visits for connection, disconnection and reconnection of service.

170 I.A.C. 4-1.2-6 concerning payment arrangements and reconnection of service.

Sec. 6(f) should be modified by adding an additional paragraph stating as follows:

This subsection (f) shall apply to a rural electric membership corporation only if it has been approved by resolution adopted at a regular or special meeting of its members.

170 I.A.C. 4-1.2-7 concerning home energy assistance. A utility should not be required to adjudicate whether a customer is eligible for assistance under I.C. 12-14-11. That is a determination to be made by the entity with authority to grant or deny the application. Marshall County recommends deletion of the words “eligible for and”. Additionally, the utility should not be required to make an investigation, prior to disconnection of service, as to whether a customer is receiving or has applied for assistance. Therefore, a sentence should be added to Sec. 7, subsection (a) as follows:

The customer shall have the responsibility for demonstrating, prior to the notice of disconnection date, that this section is applicable to the customer.

Marshall County submits that Sec. 7(a) and (b) appear to state conflicting requirements.

Marshall County recommends that subsections (a) and (b) should be consolidated and clarified as follows:

Sec. 7(a). Without a customer's request, a utility may not, during the period from December 1 through March 15, disconnect electric residential service to any customer if the customer can furnish the utility written evidence establishing that:

- 1. the customer is receiving assistance under I.C. 12-14-11; or**
- 2. the customer's eligibility to receive benefits under I.C. 12-14-11 is being determined by the Division of Family and Children or its designee after the submission of a complete application for benefits by the customer.**

Subsection (c) should become subsection (b) and a new item 6 should be added to this subsection as follows:

(6) If the utility is informed by the Division of Family and Children or its designee that the customer is no longer receiving assistance or as has been determined to not be eligible for assistance.

Respectfully submitted,

MARSHALL COUNTY REMC

By: _____
Larry J. Wallace (1110-49)
PARR RICHEY OBREMSKEY & MORTON
1600 Market Tower
10 West Market Street
Indianapolis, IN 46204-2970
Telephone: (317) 269-2500
Facsimile: (317) 269-2514